



Billing Code 8120-08 (P)

TENNESSEE VALLEY AUTHORITY

Muscle Shoals Reservation Redevelopment, Colbert County, Alabama

AGENCY: Tennessee Valley Authority (TVA)

ACTION: Issuance of Record of Decision (ROD)

SUMMARY: This notice is provided in accordance with the Council on Environmental Quality's regulations (40 CFR 1500 to 1508) and TVA's procedures for implementing the National Environmental Policy Act (NEPA). On November 15, 2012, the TVA Board of Directors declared 1,000 acres of the Muscle Shoals Reservation (MSR) in Colbert County, Alabama, to be surplus to TVA's needs and authorized the sale of such acreage at public auction, thereby adopting the preferred alternative in TVA's final environmental impact statement (EIS) for the redevelopment of a portion of the MSR. The ROD documenting this decision was published on September 16, 2013 (78 FR 56980). The notice of availability (NOA) of the *Final Environmental Impact Statement for the Muscle Shoals Reservation Redevelopment* was published in the **Federal Register** on November 18, 2011. A component of the preferred alternative was the publication of a Comprehensive Master Plan (CMP) to guide development of the

surplus MSR property. On March 26, 2015, TVA's Senior Vice President of Economic Development approved the CMP contemplated in TVA's final EIS.

FOR FURTHER INFORMATION CONTACT: Amy B. Henry, NEPA Program and Valley Projects Manager, Tennessee Valley Authority, 400 West Summit Hill Drive, WT 11D, Knoxville, Tennessee 37902-1499; telephone (865) 632-4045 or e-mail abhenry@tva.gov.

Heather L. Montgomery, Program Manager, Tennessee Valley Authority, Post Office Box 1010, MPB 1C-M, Muscle Shoals, Alabama 35662-1010; telephone (256) 386-3803 or e-mail hlmcgee@tva.gov.

SUPPLEMENTARY INFORMATION: TVA manages public lands to protect the integrated operation of TVA reservoir and power systems, to provide for appropriate public use and enjoyment of the reservoir system, and to provide for continuing economic growth in the Tennessee Valley. TVA assumed custody and control of the 3,036-acre Muscle Shoals/Wilson Dam Reservation in Colbert County, Alabama in 1933 when Congress directed its transfer to TVA from the U.S. War Department. TVA has since managed 2,600 acres of this nonreservoir property as the MSR.

Since acquisition of the land, TVA's need for this amount of MSR property has changed. TVA's programs have changed over time and TVA has greatly reduced its operations and employment at Muscle Shoals. Therefore, TVA has determined that a portion of its MSR is no longer essential to its needs. Local

public and private sector developers have been requesting use of this land for many years. In accordance with its economic development mission, TVA concluded that sale and redevelopment of approximately 1,000 acres of the MSR (surplus property) would help stimulate the local and regional economy. The sale of this land would also help TVA reduce its operations and maintenance costs and help TVA reduce its environmental footprint.

The September 2013 MSR ROD provides information about the decision to sell this 1,000-acre portion of the MSR and should be referenced for more details, including information about need for property disposal, alternatives considered by TVA, environmentally preferred alternative, environmental consequences, and other background information.

Comprehensive Master Plan

All of the Action Alternatives in the MSR EIS, including the preferred alternative selected for implementation by the TVA Board, included the publication of a CMP to encourage proper and responsible development of the approximate 1,000 acres of the MSR authorized for sale. To support this effort, TVA and the Northwest Alabama Cooperative District (NACD) conducted studies; evaluated environmental, historical, and architectural impacts and alternatives; participated in public forums; collected public input; and evaluated the market potential for the MSR site. Using the results of these activities, TVA and the NACD developed a CMP to serve as an overarching guiding principles tool to encourage well-managed development of the surplus property.

The CMP, which can be found at www.tva.gov/environment/reports, identified nine distinct areas and subareas, eight of which comprise the 1,000-acre surplus property, as well as the preferred uses of these areas. Preferred uses include retail, commercial, office, institutional, light industrial, heavy industrial, and preservation. In accordance with the Board's previous decision, seven of the MSR areas would be sold at public auction under Section 31 of the TVA Act and one area (Area 9 – Phosphate Slag Area) would be retained by TVA, but would be made available as easement property for a utility corridor as described in the final MSR EIS.

The CMP provides a description for each area, which includes the recommended design guidelines, preferred use options, and development restrictions for each area. The CMP envisions that all areas where development could occur would have design and aesthetics controlled by zoning, that favor a common thread architectural style and material elements consistent with other MSR redevelopment and which complement the historical context. Building, signage, and landscape designs would be pre-approved per local zoning requirements. Development restrictions vary by area, but most areas include restrictions such as: no residential dwellings of any form, no groundwater withdrawal, at least 100-foot setback from existing roadway boundaries that allows for centralized utilities and future pedestrian trails, signage restricted to that which promotes businesses within the development, restriction on operation emissions, etc. TVA and local units of governments would share the

responsibility of enforcing these guiding principles, as further specified in the CMP.

The nine areas identified in the CMP are briefly described below. Please refer to the CMP for more area details, guideline documents and location maps.

- Area 1 – Retail/Commercial. Area 1 is subdivided into 2 areas (1A and 1B) to accommodate differing scale land uses. The area is located on the western boundary border of the property and is comprised of 95 acres. Market focus would be on the attraction of unique and differentiated businesses and discouragement of redundant retail/commercial uses. Area 1B contains two building complexes, the Greenhouse complex and TVA's Customer Service Center, which would both be promoted for reuse.
- Area 2A – Mixed-use Commercial/Office and Light Industrial. Area 2A is located near the southwest corner of the MSR and is comprised of 61 acres. No buildings are located within the tract, but transmission lines traverse the extreme northwestern portion. Market focus would be on attracting businesses (tourism, government, financial, data management, etc.) that provide a balance of job creation with land-use conservation, with a preference for green-friendly operations.
- Area 2B – Light Industrial. Area 2B is located near the southwest corner of the property and is approximately 66 acres. Market focus

is to attract small-scale, clean light industries that provide a balance of job creation and land-use conservation, with a preference for green-friendly operations. Minimization of environmental impacts would be integrated into facility design, and public access would be retained and/or promoted in select areas for bird-watching and future walking trails.

- Area 3 – Woodlands Preservation Area. Area 3 is divided into 3A and 3B to accommodate access to Second Street for the Area 7 purchaser and comprises 203 acres. Both areas have similar design guidelines and development restrictions. Significant wetlands and a portion of the existing floodplains are found in these areas, which makes them ideal for preservation. Market focus would be to retain the woodlands and natural habitat and minimize man-made impacts. Value-added opportunities (bird watching, environmental education, wetlands mitigation, recreation, etc.) would be promoted within these areas. The proposed wildlife corridor runs through these areas and fencing, which impedes wildlife, would not be allowed in this area.
- Area 4 – Retail/Commercial. Area 4 is located in the southwestern corner of the property and comprises 98 acres. Wetlands and portions of the floodplain are currently located in Area 4; however, TVA is constructing an elevated embankment that would reduce the total number of acres threatened by potential flooding. Market

focus would be on the attraction of unique and differentiated businesses and discouragement of redundant retail/commercial uses.

- Area 5A – Mixed Use Large-Scale Campus/Venue. Area 5A is located along the northern boundary of the surplus property along Reservation Road and comprises approximately 85 acres. Market focus is campus environment and attraction of single entity or mixed-use development utilizing a campus-style setting. A small portion of the MSR Historic District is located within area 5A, and future owners would be required to abide by specified design guidelines approved for the Historic District within that portion.
- Area 5B – Mixed Use Medium-Scale Campus/Venue. Area 5B is located along the western boundary of the surplus property along Reservation Road and comprises approximately 50 acres. Eight buildings previously utilized by TVA for research and development are located on this property, all of which would be promoted for reuse. Market focus is campus environment and attraction of single entity or mixed-use development utilizing a campus-style setting. A portion of the MSR Historic District is located within area 5B, and future owners would be required to abide by specified design guidelines for the Historic District within that portion.
- Area 5C – Mixed Use Small-Scale Campus. Area 5C is located on the north side of Reservation Road and comprises approximately

35 acres. Area 5C is an existing multi-use facility campus and all buildings would be promoted for reuse. A portion of the Reservation Road trail is located within this area. Market focus is campus environment and attraction of single entity or mixed-use development utilizing a campus-style setting.

- Area 6 – Business Village/Mixed Use Commercial. Area 6 is 74 acres and is located in the center of the surplus property. Sixteen buildings are located in this area. A select number of these buildings have been identified as historically significant and are targeted for adaptive reuse. Other buildings may be promoted or demolished by TVA or future owners depending upon their condition. Preferred use is office, commercial, service, retail, light-to-medium industrial, civic, or government. This area is located within the MSR Historic District, and future owners would be required to abide by specified design guidelines for the Historic District.
- Area 7 – Differentiated Industrial Development. Area 7 is a 163-acre area located in the center of the MSR. Three TVA buildings remain in this area and would be promoted for reuse. Area 7 extends to Second Street to accommodate potential employee and shipping traffic or necessary utilities. Preferred use is mid-to-heavy industrial facilities such as manufacturing (or similar) operations with the potential for significant job creation and capital investment.

Area of concern (AOC) 998 is located within Area 7. Area 7 contains a portion of the MSR Historic District, and future owners would be required to abide by specified design guidelines for the Historic District within that portion.

- Area 8 – TVA property. Areas 8A and 8B (low-level radioactive waste burial site) comprise approximately 400 acres of the MSR. These areas do not contain enough developable land for meaningful non-TVA development and are therefore not part of the 1,000-acre MSR surplus footprint.
- Area 9 – Easement Area. Area 9 is approximately 66 acres and located south of the Tennessee River and north of Reservation Road. Area 9 contains the phosphate slag storage area and is therefore not suitable for new construction or permanent public occupancy. TVA will retain ownership of this area, but would make the area available as a utility access corridor under specific use agreements (easements or licenses) in order to complement the overall success of the MSR redevelopment.

The CMP identifies the suggested and preferred areas, but recognizes that TVA could reconsider the area boundaries, preferred uses, market focus, design guidelines, and development restrictions in the event a single buyer expresses an interest in purchasing more than one area, in part or in whole. The cities of Muscle Shoals and Sheffield are expected to annex portions of the

surplus property and may also impose additional measures for each area as each city deems appropriate.

Public Involvement

Please reference the September 2013 ROD for information about the public involvement in the MSR EIS process. In response to comments from U.S. Environmental Protection Agency on the final EIS, TVA noted that it planned to release a draft of the CMP and hold a public meeting to obtain stakeholder comments.

In 2011, TVA and NACD jointly sought input from stakeholders and the general public to discuss the potential economic opportunities in redeveloping the MSR property in preparation of the CMP. Two public meetings were held in November 2011 in Lauderdale and Colbert Counties to obtain public comments on the future use of the MSR property. TVA distributed the draft CMP to interested individuals, groups, and federal, state, and local agencies in September 2014 for a 30-day public comment period. A public meeting was held on September 30, 2014, in Florence, Alabama. TVA received 7 public comments and addressed the comments in the final CMP.

Updated Information

Since the publication of the 2013 MSR ROD, TVA has been taking steps to make portions of the MSR property more useful for future development. TVA developed a strategy that allows for the demolition of and/or enhancements to

targeted buildings, structures, and land while abiding by TVA's Memorandum of Agreement (MOA) with the Alabama State Historic Preservation Officer and the 2011 EIS. The improvements began in 2013 with the removal of unwanted legacy buildings and structures and non-native species plants (i.e., privet, kudzu, etc.). The potential impacts of the building demolitions were addressed in a 2013 environmental assessment and potential impacts of the plant removal was addressed in a 2013 categorical exclusion checklist. TVA has also been granting easements to local utility companies for placement of fiber optic cables, power lines, and similar installations to improve the marketability of the MSR surplus property.

TVA is currently constructing a new levee associated with Pond Creek in the southwest corner (Area 4) of the MSR property. The proposed levee is necessary to fulfill TVA's commitments in the 1973 agreement with the City of Muscle Shoals. Potential environmental impacts were addressed in a July 2014 environmental assessment. The proposed levee would result in an overall reduction in inundation levels within Area 4.

Decision

On November 15, 2012, the TVA Board declared 1,000 acres of the MSR surplus to TVA's needs and authorized the sale of such acreage at public auction upon a determination by the Senior Vice President, Economic Development, following consultation with the Vice President, Natural Resources and Real Property Services, that market conditions warrant selling the fee simple interest

of the 1,000 acres or a portion thereof. The sale of the property would be in accordance with TVA's preferred alternative, Alternative F - Unrestricted Land Use in the final EIS. This decision incorporates mitigation measures that would reduce the potential for adverse impacts to the environment. These measures are listed in the 2013 MSR ROD. The preferred alternative also requires the publication of a CMP. TVA developed the MSR CMP with the NACD and other appropriate local, state, and federal authorities for the holistic redevelopment of the MSR property. On March 26, 2015, TVA's Senior Vice President of Economic Development approved the final CMP.

Mitigation Measures

A full list of the measures associated with the sale of the surplus property is identified in the September 2013 MSR ROD. The sale deeds and associated transfer documentation would include restrictions and limitations specific to some or all of the surplus property per the mitigation measures outlined in the final MSR EIS. The CMP specifically identified the restrictions and limitations listed below:

- The sale deeds for every area would contain a covenant that the Grantee shall not remove groundwater from the property or inject groundwater into the property for any purpose except as mandated by applicable regulatory agencies or for environmental sampling or remediation purposes. The deeds would also contain a covenant that the

Grantee shall not construct any unlined retention/detention basins or surface water features on the property.

- In order to assure compliance with Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands), TVA would include specific language in any conveyance documents for the property and require that any proposal for future improvements in a floodplain or wetland area would be subject to TVA review and approval prior to construction (in addition to any other regulatory approval).
- TVA would place an Environmental Covenant on the portion of the property within AOC 998 (Area 7) in order to limit its future uses. This Environmental Covenant is required by the Alabama Department of Environmental Management (ADEM) and must be recorded prior to sale. Within the portions of the property subject to Environmental Covenants, use of the property has been approved for industrial and commercial activities in accordance with the Alabama Risk-Based Corrective Action Guidance Manual, which allows traditional industrial uses and operations, commercial uses such as stores and businesses, and community college use such as offices, classrooms, parking areas, etc. The following shall not take place in areas covered by covenant use restrictions without obtaining prior written approval from ADEM: Use of the property for any residential or unrestricted use, which includes but is not limited to primary

and secondary schools, dwellings, homes, hospitals, childcare centers, nursing homes, playgrounds, recreation centers, and any other areas or structures with sensitive human activity. Additionally, digging or excavation would be prohibited within the portion of the property identified as Solid Waste Management Unit 141. This environmental covenant was recorded by TVA on August 29, 2014.

- All future sales of areas that are wholly or partially within the MSR Historic District would contain deed restrictions requiring the buyer to adhere to the “Muscle Shoals Reservation Historic Design Guideline and Architectural Controls” pertaining to redevelopment and new development within the historic district boundaries. Design review and enforcement would be addressed by the cities of Muscle Shoals and Sheffield.
- Prior to and in conjunction with the sale of any portion of the property, TVA would be required to coordinate with ADEM with respect to necessary modifications to the existing TVA Resource Conservation and Recovery Act (RCRA) Permit. TVA would inform ADEM of its intentions to sell property prior to auction in order to solicit feedback and assure alignment with necessary procedures. After parcels are sold, TVA must formally request the property be removed from the existing RCRA permit. A public notice (typically 45 days) is required. Upon approval, ADEM would remove the land from the RCRA permit, and the requirements of the permit would no longer apply to the land under new ownership.

Dated: June 8, 2015

Original signed by

John J. Bradley,

Senior Vice President, Economic Development

Original signed by

Rebecca C. Tolene,

Vice President, Natural Resources and Realty Property Services

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